



Grand Haven Area
community foundation™

Investment Overview

The Foundation

The Grand Haven Area Community Foundation (GHACF) is a public, charitable organization serving Northwest Ottawa County and West Michigan since 1971. GHACF is regularly recognized as a top 100 Community Foundation in the nation and is the 7th largest community foundation in the State of Michigan. It encourages philanthropy by individuals, families, corporations, and organizations, and serves as a steward of their charitable funds and legacies. In addition to awarding grants, the Foundation offers technical support to nonprofits, convenes community leaders on issues of importance, and advocates for the nonprofit sector. As a community foundation, we maintain a 501(c)3 status.

Objectives

Our investing goal is to invest for growth, over the long-term, and achieve a rate of return that allows us to meet or exceed our spending rate. We recognize the long-term return benefits of an equity-oriented asset allocation accompanies the tradeoff of increased levels of short-term portfolio volatility. We are an endowment organization. Therefore, our investment timeline is forever. We aim to preserve the principal gifts made to our endowments, grow those gifts over time and maintain a prudent, conservative, spend rate.

For more information visit ghacf.org

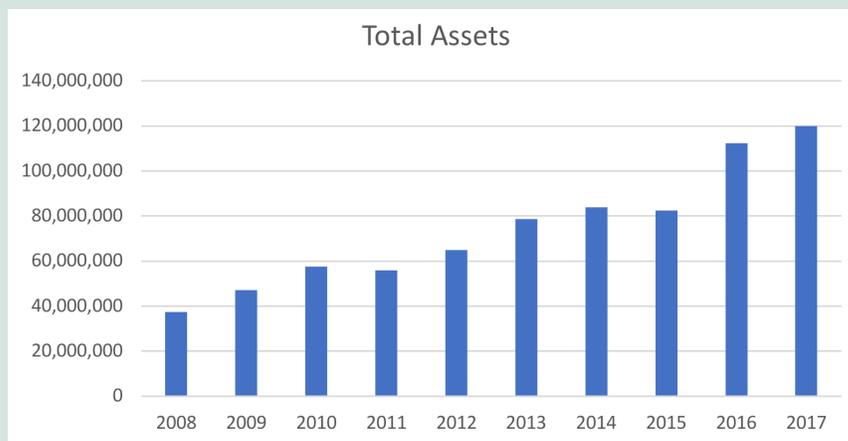
Growth of Assets

The GHACF is in growth mode and our assets have nearly doubled in the past 5 years. We have very generous donors and we have enjoyed favorable investment returns with our low-cost, stay-the-course, passive – yet intentional – investment philosophy.

For more than 15 years, GHACF had the benefit of having Lynne Sherwood lead our Investment Committee. Ms. Sherwood had a Stanford undergraduate degree and a Harvard MBA. She also spent her career as a Vice President at Goldman Sachs on Wall Street. After retirement, Lynne returned to Grand Haven, her hometown, to serve her family business as well as to actively involve herself with the GHACF. GHACF benefitted immensely from Lynne’s expertise, talent, generosity, and constant eye on our portfolio until her untimely death in January 2016.

After a formal RFP process in 2017, the GHACF selected Northern Trust and its Foundation and Institutional Advisors Group (FIA) to provide investment management and advisory services.

Northern Trust’s Foundation & Institutional Advisors (FIA) group serves nonprofit organizations through sophisticated investment management solutions, strategic insights and world-class resources. Northern Trust provides investment advice, asset servicing, and related services to help nonprofit organizations achieve financial and philanthropic goals, while collaborating with board and investment committee members to assist with investment oversight. More information about Northern Trust Foundation and Institutional Advisors can be found at www.northerntrust.com/FIA.



Spending Policy

The spendable amount for the upcoming fiscal year will be determined each year at the rate of 4% of a three-year rolling average of the December 31st balance of each individual fund managed as an endowment within the Foundation.

Fiduciary Duty

The Investment Committee shall act in accordance with, and the policy shall at all times comply with, the requirements of the Michigan Uniform Prudent Management of Institutional Funds Act, MCL §451.921, et seq (“UPMIFA”) with respect to the investment, management, expenditure, appropriation and accumulation of funds.

UPMIFA applies to permanent endowment funds, non-endowed funds and use or purpose restricted funds held for charitable and investment purposes.

UPMIFA requires that the Investment Committee manage and invest all funds and make decisions to accumulate or appropriate “in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.”

All investment actions and decisions must be based solely in the interest of the GHACF. Fiduciaries must provide full and fair disclosure to the Investment Committee of all material facts regarding any potential conflicts of interest. A person having special skills or expertise, or one that is selected based on his or her representation that he or she has special skills or expertise, has a duty to use those skills or that expertise in managing and investing GHACF’s assets.

Fees

- » Endowed Funds are charged an annual 1% fee.
- » Endowed Scholarship Funds are charged and annual 1.5% fee.
- » Non-Endowed Funds are charged an annual 1.5% fee.
- » All fees are assessed quarterly and based on the average daily balance of the Fund. A minimum fee of \$100 annually will be assessed to all Funds.

Investment Committee

Tammy Bailey, Chair

President, Buy Right Packaging Supply

Randy Hansen

President, Centennial Securities Co.

Barb VanHeest

Relationship Manager, Chase Business Banking

Nelson Jacobson

Chairman, CEO & President, JSJ Corporation

Nick Grinzinger

Financial Advisor, Edward Jones

Curt Walburg

CPA, Brickley Delong

Patty MacDonald (Ex-Officio)

Director of Finance, GHACF

Chris Riker (Ex-Officio)

VP of Advancement & Donor Services, GHACF

GHACF Historic Investment Returns



About Northern Trust

Northern Trust Corporation (Nasdaq: NTRS) is a leading provider of wealth management, asset servicing, asset management and banking to corporations, institutions, affluent families and individuals. Founded in Chicago in 1889, Northern Trust has offices in the United States in 19 states and Washington, D.C., and 23 international locations in Canada, Europe, the Middle East and the Asia-Pacific region. As of December 31, 2017, Northern Trust had assets under custody/administration of US\$10.7 trillion, and assets under management of US\$1.2 trillion. For more than 125 years, Northern Trust has earned distinction as an industry leader for exceptional service, financial expertise, integrity and innovation. For more information, visit northerntrust.com.